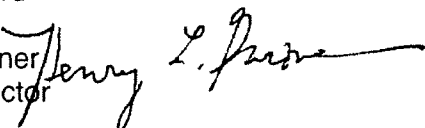


M E M O

Date: January 11, 2010

To: Executive Board

From: Henry L. Gardner 
Executive Director

Subject: **Executive Director's Report**

State Budget

The economy shows signs of gradual recovery and the California budget situation continues its rapid decline. The estimated deficit for the next eighteen months stands at \$21 billion. The Governor's proposal is deep cuts to social programs, reduction in staffing and pay at the State level, cuts in education and corrections, and essentially no tax or fee increases. It also relies heavily on expected help from Washington which is not likely to materialize in substantial ways. While several of the shifts from local government and transportation from the last budget remain in the courts, this budget proposal has some of the same shifts but proposes to accomplish them in different ways. Cities and counties are already organizing to eliminate those shifts permanently by ballot initiative. Under the best of circumstances the budget is not balanced, the structural deficit is real, and there are no proposals to deal with it. The problem for cities and counties is that they are constrained statutorily in how they can raise taxes and fees to offset cuts at the State level that affect them directly. We will all be challenged in meeting the program and service needs of our communities and the region.

Follow-up on SB 406

We intend to continue our efforts to pursue a funding source for the implementation of SB 375, the Sustainable Communities Strategy, and AB 32, both designed to reduce greenhouse gas emissions and reliance on automobiles. Last year we actively advocated for a very modest vehicle license fee of \$2 per vehicle that would have raised \$12 million a year. Half of this funding would have been available to cities, counties, CMAs, and half to ABAG and MTC to plan for and carryout the purposes of these two landmark bills. The legislation was passed by the Assembly and Senate, but vetoed by the Governor. We plan to try again this year, and believe we can construct legislation that the Governor might sign.

Assessment of Priority Development Areas (PDAs)

As one of the essential building blocks for the Sustainable Communities Strategy (SCS) pursuant to SB 375, and given the importance of PDAs in the development path of the region, staff is assessing the challenges and strengths of planned PDAs to develop complete communities, accommodate major population growth, and reduce greenhouse gas emissions. The effort was kicked off with a regional multi-sector workshop on October 2, 2009. This has been followed by meetings with 47 local jurisdictions, which will be completed in January. At these meetings ABAG, MTC, and JPC representatives

have engaged in a dialogue with city planning, redevelopment, and public works directors as well as transit and congestion management agencies to better understand the local priorities and strengthen our partnership. This assessment will help to provide strategic funding programs to support the PDAs, identify barriers to implementation and strategies for overcoming them, and inform the regional growth allocation in the SCS and ensure that it is realistically attainable.

ABAG Funding Applications

The following represent recent funding applications related to energy management and environmental issues.

California Energy Commission (CEC) (ARRA Funding)

- *Retrofit Bay Area* (funding request: \$10,750,000). ABAG submitted an application in coordination with eight Bay Area counties in response to the CEC's State Energy Program (SEP) RFP – Residential Building Retrofit Program. The program proposes to promote residential building retrofits and achieve deep market penetration in the San Francisco Bay Region. In addition to region-wide activities, each county will receive a portion of the budget to implement activities in their area. The overall program includes the following elements: innovative financing and rebates; green workforce development; advanced outreach and marketing programs; efficient implementation and delivery.

PG&E (CPUC – Public Goods Charge Funding)

Innovator Pilot Program:

- *Electric Vehicle Supply Equipment (EVSE) Regional Planning and Infrastructure Development Pilot Project* (funding request: \$217,500). In partnership with key electric vehicle and transportation related organizations in the region, ABAG proposes to ensure that ESEV infrastructure is in place by achieving the following goals in the 9-county area: identify publicly accessible EVSE locations; develop streamlined processes for building and parking lot owners to install EV charging points; develop MOUs with EV manufacturers to ensure that the Bay Area is a favored early development market for EVs; develop and disseminate regionally-specific EVSE site identification and installation guidelines; develop a strategic roadmap for deployment of electric bicycles as “last mile” connectors from transit nodes to employment centers.
- *Energy Efficient Street Light Toolkit* (funding request: \$87,600). In cooperation with the Clinton Climate Initiative (CCI) ABAG proposes to develop a toolkit that will help municipalities in the Bay Area and beyond take advantage of energy saving opportunities that exist in their outdoor street light infrastructure. The toolkit will serve as a “how to” guide for municipalities to retrofit their street lighting systems, addressing the key drivers of cities decision making, including energy efficiency technology options, project economics, financing and best practice case studies.

PG&E (CPUC – Public Goods Charge Funding)

Green Communities:

- *GHG Inventory Assistance for Local Governments* (funding: TBD). In coordination with PG&E and ICLEI, ABAG would provide assistance for local governments to complete their municipal and community GHG inventories.
- *Municipal Facility Benchmarking* (funding: TBD). ABAG has been investigating the opportunity to provide assistance to local governments that would allow them to perform energy-use benchmarking of their facilities. This assistance would be based on the Energy Star Portfolio Manager tool.
- *Building Retrofit Coordination with Financing Districts* (funding: TBD). To the extent allowed by the CPUC, ABAG will continue to coordinate with PG&E to implement a comprehensive building retrofit strategy that combines with energy financing districts to bring a customer-friendly approach to building owners.

ABAG Financial Services

Financings delivered by ABAG and its affiliated entities since my last report include:

- \$80 million in General Obligation Bonds purchased and sold for the East Bay Regional Park District to acquire, restore, and make improve to its regional park system;
- \$7.39 million in Variable Rate Revenue Bonds issued on behalf of the City of Livermore for the Valley Montessori School; and,
- \$15.52 million in Multifamily Housing Revenue Bonds issued on behalf of San Diego County for acquisition and rehabilitation of the 241-unit, Vintage Oaks Senior Apartments.

